

Value In Procurement (VIP)

\$136.2 million - on schedule

- Total Save increased to **\$80.3 million**, up **\$1.63 million** from September report.
- Favorable meeting with EISC Community Consultants for status report on procurement recommendations on October 24, 2005.
- ADOA HR initial CMR of all “System A” purchasing positions (316) went to 20 agencies on November 1, 2005.
- **13** Carrier Services Offers were received November 15. They are now under evaluation. Of note, **seven new offerors** for our contract are:

Telespectra LLC,
Time Warner Telecom Holdings, Inc,
Conterra LLC,
WI-VOD Corporation.

Mountain Telecommunications, Inc,
Strategic Technology Communications, Inc,
World Communication Center, Inc,

VIP - continued

Pollutants

ADEQ Lead Agency

- Environmental Assessment and Remediation (i.e., Clean-ups)
- Replaces a **Seven-year** old contract, 12 of the 18 are incumbent Contractors
- 2 of the 6 **new** contractors are **small businesses**
- 10 of the 18 are **Arizona businesses**, other 8 have branch offices in Arizona
- Most incumbent contractors cut their hourly rates:

	A7-0098 Aggregate hourly Rate	Pollutants Aggregate Hourly Rate
Brown & Caldwell -	\$1,103.20	\$ 937.00
Geotechnical & Environmental -	\$ 961.20	\$ 916.00
SCS Engineers -	\$1,126.65	\$1,005.00
BE&K Terranext-	\$ 877.21	\$ 832.00
MACTEC Engineering-	\$1,104.55	\$ 935.00
Weston Solutions-	\$1,010.00	\$ 937.00
AMEC-	\$ 980.10	\$ 996.00
URS Corp-	\$ 980.18	\$ 999.00
GeoTrans, Inc -	\$ 940.00	\$ 934.00
Kleinfelder-	\$ 820.00	\$ 920.00

ADEQ estimating save.

VIP - continued

Language Proficiency Testing

DES Lead Agency

- Oral and written testing on-line or over the phone for the following:
Spanish, Navajo, Hopi, Apache, Tohono O'odham, Vietnamese,
Others available
 - 24-hour results to agencies via e-mail
- VIP savings over next four (4) years is **\$100,000**
 - **Rates for Spanish Old \$53 to New \$50; Others Old \$63 to New \$50**
- Contract was awarded to the incumbent DES contractor,
ALTA Language Services, Inc. Atlanta, Georgia
 - No transition issues for DES.
 - Maintains existing customer relationships.
- No Small, Women or Minority participation.

VIP - continued

Mail Machines and Maintenance Services

EPS Lead Agency

- VIP savings on equipment purchases alone over next four (4) years is **\$130,000.**
- 3 Contracts were awarded, November 11, 2005. Few suppliers in this market. All of whom participated.
- New contracts necessary due to new Federal regulations for postage machines.
- Was the **first** solicitation done by Arizona as a lead state for WSCA (Western States Contracting Alliance). WSCA contracts are solicited, awarded and administered by one of the WSCA member states (15 total). This “lead state” is then compensated by WSCA for the additional costs associated with soliciting and administering the contracts on behalf of the organization.

VIP - continued

Plumbing Supplies

EPS Lead Agency

- **First, statewide Construction\ Maintenance Repair & Operating Contract under VIP**
- **Two contracts were awarded, November 10, 2005.**

Ferguson Enterprises – AZ Business

Brown's Partsmaster – AZ Small Business

- **Both distributors have agreed to increase business with MBE/WB E companies, and will provide quarterly updates on their sub-contracts.**
- **Contract should result in an average of 15% discount on all supplies**
- **VIP savings over next four years is anticipated to exceed of \$200,000.**

VIP - continued

Tree-Thinning

Game and Fish Department Lead Agency

- Tree-thinning, right-of-way, chipping, and focused emergency clean-up
- Replaces **Five** separate agency contracts
- High Save estimate \$125,000 per year, low save estimate **\$55,000** per year for Total VIP save over four years of **\$220,000**.
- 9 of the 11 contractors are **small businesses (82%), One MWBE.**
- Based on Coconino Rates, as an example:

	Previous hourly Rate	New Hourly Rate
Right-of-Way	\$ 600.00	\$125.00-\$1,015.00
Chipping	\$600.00- \$1,000.00	\$170.00- \$800.00
Thinning	\$ 450.00	\$430.00- \$475.00

Emergency Clean-up was new requirement

VIP - continued

Appraiser/Appraisal Review/ Real Estate Consultant (Pool)

ADOT Lead Agency

- **38** firms were selected for the Pool, up 6 from previous contract
- Pool was selected due to **statewide coverage** and various agency service requirements
- **22** SB, **4** SWB, **2** SMB, and **1** S\|M\|Disabled Business
- Save **\$115,000** per year for ADOT alone. Total VIP save over next four (4) years greater than the **\$460,000** estimate, when Land Department and other political subdivisions are considered.

VIP - continued

Two-Way Radios

EPS Lead Agency

- 20 Contracts were awarded, October 1, 2005
- Given the tactical needs for this equipment (law enforcement and public safety), the State emphasized Contract diversity, product variability and geographic availability in determining “best value.” (i.e., **No Sourcing**)
- Approximately \$3.41 million spend in FY 2004. At same volume, the new contract will reduce spend to \$3.28 million in FY 2006 – with the resulting savings at the agency and cooperative member level.
- VIP savings over next four (4) years is **\$520,000.**